



GARY R. HERBERT
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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 24, 2015

John Spencer
Simplot Phosphates, LLC
9401 North Highway 191
Vernal, Utah 84078-7802

Subject: Second Review of Revised Notice of Intention to Commence Large Mining Operations, Simplot Phosphates LLC, Vernal Phosphate Mine, M/047/0007, Uintah County, Utah

Dear Mr. Spencer:

The Division of Oil, Gas and Mining has reviewed the referenced revised Notice of Intention to Commence Large Mining Operations (NOI) which was received January 29, 2015. The majority of the comments were addressed, but a reclamation plan for the tailings pond was not provided in the last submittal as requested. This represents a major deficiency in the plan and will need to be corrected.

The comments are listed under the applicable Minerals Rule heading; please format your response in a similar fashion. Please address only those items requested in the attached technical review by sending replacement pages using **redline and strikeout** text. After the NOI is determined technically complete, the Division will ask that you submit two clean copies of the complete and corrected plan. Upon final approval, both copies will be stamped approved, and one will be returned for your records.

The Division suggests arranging a conference call or meeting to clarify comments in this review and to resolve issues as quickly as possible.

The Division will suspend further review receiving your response to this letter. Please contact April Abate at 801-538-5214 or me at 801-538-5261 if you have questions about the comments or if you would like to arrange a meeting to discuss them. Thank you for your cooperation in completing this permitting action.

Sincerely,

Paul B. Baker
Minerals Program Manager

PBB: aa: eb
Attachment: Review
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INITIAL REVIEW OF NOTICE OF INTENTION TO COMMENCE LARGE MINING OPERATIONS

Simplot Phosphates, LLC
Vernal Phosphate Mine
M/047/0007
February 26, 2015

General Comments:

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
1	General	The Division may have additional comments based on the responses to the issues raised in this review, especially those relating to the highwall and an anticipated geomechanical report. It is not clear if a variance is needed as there is no discussion regarding maximum slope angles in the current text. There are comments below regarding the request for a variance, but there are no clear statements regarding slope angles and stability to indicate whether a variance is actually needed.	lah	
2	Appendix F	Comment from previous review: "Please include a copy of the approval from the Division of Water Rights for the tailings storage facility (TSF)." The operator's response is that a letter has been added. The letter is the 2001 notification letter from the Division to the Resource Development Coordination Committee (RDCC). Please include approval letters from Dam Safety (Division of Water Rights) for the tailings expansion.	lah	

R647-4-105 - Maps, Drawings & Photographs

General Map Comments

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
3	Base Map	The following figures need to be on larger sheets to make them more legible. The Division suggests a 24" x 36" format. Figure 3a (the Division needs to have a large map that clearly identifies the boundaries). Figure 13 Reclamation Map (the Division needs to have a large map that shows how the site will be reclaimed). Also, a map showing areas that are fully bonded and those that have been given partial and full release.	whw	
4	Base Maps	Please show that the tailing storage facility is currently part of the permitted area and not reclaimed. It is important to distinguish between the area where the operation is permitted for disturbance compared to the overall Simplot property area boundary.	whw	

105.2 – Surface facilities map

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
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Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
5	Fig. 5 a-b	The surface facilities map will be evaluated as part of the bond calculations. (No response needed.)	whw	

105.3 – Drawings or Cross Sections (slopes, roads, pads, etc.)

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
6	Figure 8	Please add road symbol to the map legend.	lah	
7	Figure 8	The Division requests—does not require—that the stratigraphic column be shown in a standard format. The standard practice is to have younger rocks at the top of the column, with older rocks at the base. It is also standard practice to have the legend match the map. The new map has generated new comments that need to be addressed.	lah	
8	Omission	Please include cross sections for highwalls that are to remain, particularly where a variance may be required. Figure 12 is technically incorrect. Four slopes need to be labeled. At a minimum, please label highwall maximum slope angles. All other slope angles can be noted in the legend, with a note such as “no fill slope will exceed a certain angle (*H:1V).” On Typical Section - Step 3, please add a note on the section for the maximum highwall height that will be left. On Typical Section – Step 2, as is shown, there will need to be a line item in the bond.	lah	
9	Omission	Figure 12 does not show a generalized cross section of a reclaimed road. Please show how roads will be reclaimed. The cross sections can be somewhat generalized for example a road on a flat area and a road on a hillside.	whw	

106.8 - Depth to groundwater, extent of overburden, geologic setting

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
10	Omission	Original Comment #29: More detail is needed to address the extent of overburden in the permit area, such as the average thickness of overburden and whether it varies in different parts of the permit area. Figure 11 was provided, but contours should include a unit of measurement. Presumably they are in feet.	aa	

106.9 - Location & size of ore and waste piles, tailings, ponds

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
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Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
11	Page 12	Please include in the text a few sentences about the TSF regarding approvals from Water Rights (Dam Safety), and include supporting data in Appendix F. The letter added is the 2001 notification letter from the Division to the RDCC. The Division needs approval letters from Water Rights, Dam Safety for the Tailings expansion which the Division anticipates would occur with an expansion, specifically the 2013 to 2014 expansion noted in the text.	lah	

R647-4-109 - Impact Assessment

109.4 – Projected impacts on slope stability, erosion control, air quality, public health and safety

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
12	Page 19 -20	More detail is needed in the text regarding the “roughened highwall surface slopes” for long term stability. The text should discuss actual maximum slope angles and specific design details.	lah	
	Page 23 and 26	The operator has written “...overall angle...” This statement does not clarify the actually height of the oversteepended highwalls. Each rock type has different geomechanical characteristics. Furthermore, photographs are not engineering analysis for slope stability.	lah	

R647-4-110 - Reclamation Plan

110.2 – Reclamation of roads, highwalls, slopes, impoundments, drainages, pits, piles, shafts, adits, etc

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
13	Figure 12	Please provide cross section to show slope angles, ie Figure12 needs to be properly annotated.	lah	
14	Page 29	New comment based on new text: Will the pipeline be rinsed prior to sealing the ends?	lah	

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
15	Pg. 23	<p>Original comment #37: The plan does not include a final reclamation plan for the TSF. The Division recognizes that concurrent reclamation is not feasible due to the continuous use of the tailings pond for the life of the mine, but the TSF has to be designed with an end point in mind and a reclamation plan. Please include a final plan showing the engineering details of the TSF closure plan.</p> <p>Response: The operator attempted to address this comment by providing cross sections for the tailings pond that were prepared back in the late 1990s. Only one of the figures contained a drawing of a closure plan. Secondly, the "Permit Approval and Approval Letter" included in Appendix F2 is not a permit approval letter for the TSF. This was a notice of a proposed action to the Division back in 2001 proposing to expand the TSF facility. The purpose of this notice was to solicit comments from other stakeholders regarding the expansion of the tailings facility.</p> <p>The operator states in section 110.2 under the Impoundments, Pits, and Ponds section that a closure plan will be developed in accordance with the permit. Based on what was submitted to the Division, there is no permit and a reclamation/closure plan was not provided as requested. Rule R647-4-110.2 states that the manner to which impoundments, pits and ponds will be reclaimed is a requirement of the NOI. Not having a reclamation plan for the TSF represents a major deficiency in this plan that needs to be corrected prior to final approval of the east side expansion.</p>	aa	
16	Omission	<p>Original Comment #39: A post-mining storm water management plan for both the east and west side disturbance areas is required.</p> <p>The operator indicates that Simplot has a Multi-Sector General Permit for Storm Water Discharges.</p> <p>The Division requests a copy of this permit to be included in Appendix F with the other permits.</p>	aa	

110.3 - Facilities to be left for post mining use (buildings, utilities, roads, pads, ponds, pits, equipment, etc.)

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
17	Omission	Please show what roads will be left at the time of final reclamation.	whw	

R647-4-112 - Variance (List all variances requested and make a finding if approving.)

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
18	Page 32	Although sections have been rewritten, not enough data has been given to state a variance is not needed.	Lah	
19		The Operator proposes to modify the NOI so that some highwalls would remain but a variance would not be needed. Figure 12 does not show highwalls at a sufficient scale that the Division can determine if they meet regulatory requirements.	whw	